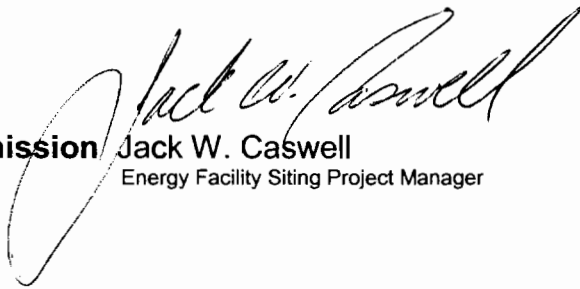


Memorandum

To: Commissioner James D. Boyd, Presiding Member
Chairman Joseph F. Desmond, Associate Member

Date : April 24, 2006
Telephone: (916) 653-0062
File: 06-SPPE-1

From : **California Energy Commission** Jack W. Caswell
1516 Ninth Street
Sacramento CA 95814-5512
Energy Facility Siting Project Manager



DOCKET 06-SPPE-1
DATE APR 24 2006
RECD. APR 24 2006

Subject: **NILAND GAS TURBINE PLANT SMALL POWER PLANT EXEMPTION (06-SPPE-1)**

ISSUE IDENTIFICATION REPORT

Attached is staff's Issue Identification Report for the Niland Gas Turbine Plant Application for a Small Power Plant Exemption (06-SPPE-1). This report serves as a preliminary scoping document that identifies a potential issue that Energy Commission staff believes will require careful attention and consideration. Energy Commission staff will present this Issue Identification Report at the Siting Committee's Informational Hearing scheduled for May 3, 2006, in Niland, Imperial County.

Attachment

cc: Docket (06-SPPE-1)
Proof of Service List

PROOF OF SERVICE / REVISED 3/27/06 FILED WITH
ORIGINAL MAILED FROM SACRAMENTO ON 4/27/06

**NILAND GAS TURBINE PLANT
SMALL POWER PLANT EXEMPTION
(06-SPPE-1)**

ISSUE IDENTIFICATION REPORT

April 24, 2006

**CALIFORNIA ENERGY COMMISSION
Systems Assessment and Facilities Siting Division**

**ISSUE IDENTIFICATION REPORT
NILAND GAS TURBINE PLANT
APPLICATION FOR SMALL POWER PLANT EXEMPTION
(06-SPPE-1)**

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ISSUE IDENTIFICATION REPORT

This report has been prepared by the California Energy Commission noise staff to inform the Committee and all interested parties of a potential issue that has been identified in the case, thus far. This Issue Identification Report contains a project description, summary of the potential noise issue, and a discussion of the proposed project schedule. The staff will address the status of this issue and progress towards its resolution in periodic status reports to the Committee.

PROJECT DESCRIPTION

On March 13, 2006, Imperial Irrigation District (IID) filed an application for a Small Power Plant Exemption (SPPE). The IID is seeking an exemption from the California Energy Commission's licensing requirements. The IID proposes to build and operate a nominal 93 MW simple-cycle power plant on a 22-acre site northeast of Niland, California. This proposed facility is referred to as the Niland Gas Turbine Plant (NGTP). The IID would own and operate the facility. The proposed site is owned by the IID and is adjacent to the IID's existing Niland Substation. The project would supply the internal power generation needs of the IID service territory during periods of peak electrical demand.

The plant would consist of two General Electric LM6000 PD SPRINT NxGen combustion turbine generators (CTG) equipped with inlet air chiller coils, zero liquid discharge (ZLD) wastewater treatment system, water storage and treatment systems, gas compressor equipment, electrical transmission and interconnection system, and associated auxiliary systems and equipment. The project will interconnect directly to the 92-kilovolt (kV) bus at the adjacent Niland Substation. A new intermediate generation switchyard will be constructed at the site to gather the output from the project and provide a common point of interconnection to the Niland Substation. Natural gas will be supplied to the project site from two existing Southern California Gas Company (SCGC) parallel natural gas transmission pipelines running north-south along the eastern boundary of the property. A buried 1,800 foot natural gas lateral from the transmission pipelines would be routed east-west along the south side of Beal Road. This natural gas lateral would be designed, constructed, owned, and operated by SCGC. The primary use of water at the project will be to provide demineralized water injection for power augmentation of the CTG's. The project's water requirements are proposed to be 21 acre feet per year and will be supplied to the project site via a new buried 8-inch potable water pipeline lateral from the Golden State Water Company's (GSWC) existing buried 12-inch pipeline, which crosses the northern half of the property. The lateral line would run south approximately 700 feet. GSWC will design, construct, own, and operate the new 700-foot lateral pipeline. As part of the project, three new stormwater retention basins will be located along the south and west edge of the project site. Emissions from each of the two turbines will be controlled through use of best available control technology (BACT) which will result in a NO_x level of 2.5ppm. Each CTG unit will be equipped with an aqueous ammonia-based, selective catalytic reduction module and a carbon monoxide (CO) catalyst reactor for emissions control. .

SPPE PROCESS AND POTENTIAL MAJOR ISSUE

Public Resource Code section 25541 states “[t]he commission may exempt ... thermal power plants with a generating capacity of up to 100 megawatts and modifications to existing generating facilities that do not add capacity in excess of 100 megawatts, if the commission finds that no substantial adverse impact on the environment or energy resources will result from the construction or operation of the proposed facility or from the modifications.” The SPPE process is different from the Application for Certification (AFC) process since the Energy Commission will not license the project but exempt the project from the licensing process. If an exemption is granted, the applicant will need to secure the appropriate licenses and permits for the project from various local, state and federal agencies. The Energy Commission is the lead agency under the California Environmental Quality Act (CEQA).

The SPPE process also uses a different format of analysis from that used in the AFC process. For an SPPE, staff prepares an Initial Study that evaluates whether the project will result in any significant environmental impacts, identifies mitigation measures that will reduce those impacts to less than significant levels, and establishes proposed conditions of exemption. Staff will use the Environmental Checklist Form contained in CEQA Guidelines Appendix G (California Code of Regulations, Title 14, section 15063 (f)) as a guideline for the issues that will be examined in the Initial Study.

This Issue Identification Report contains staff’s preliminary findings. The following discussion focuses on the noise issue where staff has concluded that (a) a “potentially significant impact” may occur, (b) resolution of the issue may cause delay in the schedule, and (c) staff has insufficient information at this time to reach a conclusion. The Committee should be aware that this report may not include all the significant issues that may arise during the case, as discovery is not yet complete, and other parties have not had an opportunity to identify their concerns.

This report does not limit the scope of staff’s analysis throughout this proceeding but acts to aid in the analysis of a potentially significant issue that the NGTP proposal may pose. The following discussion summarizes the potential noise issue, identifies the parties needed to resolve the issue and, where applicable, suggests a process for achieving resolution. However, staff does not see this potential issue as insolvable.

The following section contains staff’s preliminary findings. The Initial Study will provide additional analysis supporting staff’s conclusions, descriptions of the recommended mitigation measures and conditions of exemption.

NOISE

Energy Commission staff evaluates power plant operational noise impacts on sensitive receptors by comparing the noise levels at the receptor with the power plant operating, to the ambient noise levels at the receptor before the project is constructed. Specifically, staff compares power plant noise to the background (L_{90}) noise levels at the receptor during the nighttime hours when people are most likely to be annoyed by excessive

noise. In order to eliminate the effects of short-term anomalies, staff typically considers the average of the four quietest contiguous hours of the night for this comparison. In describing the pre-project ambient noise survey results, the SPPE application presents only broadly averaged figures. Background noise levels at the nearest sensitive receptor (LT-1, a single-family residence at 8130 Cuff Rd.) are depicted as single 25-hour average figures for L_{eq} and L_{90} , instead of the 25 hours' worth of one-hour L_{eq} and L_{90} , averages needed for our standard analysis.

ISSUE

It appears that the nighttime ambient background noise levels at the nearest sensitive receptors (residences) may be considerably lower than shown by the broadly averaged figures presented in the application. If this is the case, then project noise impacts on these receptors will be much greater, and may require significant mitigation. Staff's Noise data request asks the applicant for the hourly average L_{eq} and L_{90} values measured at LT-1 during the 25-hour ambient noise survey. This data will enable staff to determine whether the project will result in a significant noise impact, and whether any mitigation measures will be needed.

SUMMARY

Staff provided noise data requests to IID on April 6, 2006. The data requests include a noise item addressing staff's concerns associated with the assumptions regarding the NGTP in the SPPE application. Staff will address any additional technical concerns in the Initial Study. Timely responses to data requests and resolution of the above issue is necessary to stay within the time frames of the attached proposed schedule. All agencies, intervenors, and interested parties will be informed of future workshops and project events. The following page presents staff's proposed schedule.

**ENERGY COMMISSION STAFF'S
PROPOSED SCHEDULE
NILAND GAS TURBINE PLANT
(06-SPPE-01)**

EVENT	DATE
Receive Document (SPPE)	13-Mar-06
Committee Appointed	29-Mar-06
Data Requests Sent to IID	6-Apr-06
Issue Identification Report Filed	24-Apr-06
Site Visit/Information Hearing	3-May-06
Issue Identification/Schedule Discussion	3-May-06
Data Responses Received from IID	5-May-06
Status Report	16-May-06
Comments Received from Agencies, Applicant	22-May-06
File Draft Initial Study	1-Jun-06
Notice Draft Initial Study Workshop	2-Jun-06
Draft Initial Study Workshop	14-Jun-06
Notice Prehearing Conference	16-Jun-06
Prehearing Conference	30-Jun-06
Notice of Intent to File Negative Declaration (Neg. Dec.)	5-Jul-06
Issue Final Initial Study	5-Jul-06
Evidentiary Hearings	17-Jul-06
Committee Files Proposed Decision / Neg. Dec.	11-Aug-06
Staff/Parties File Comments Proposed Decision/ Neg. Dec.	21-Aug-06
Final Hearing on Decision / Neg. Dec.	28-Aug-06

**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION
OF THE STATE OF CALIFORNIA**

**SMALL POWER PLANT EXEMPTION
FOR THE NILAND GAS TURBINE PLANT
(Imperial Irrigation District)**

DOCKET NO. 06-SPPE-1

(Established 3/29/06)

PROOF OF SERVICE LIST

DOCKET UNIT

Send the original signed document plus the required 12 copies to the address below:

CALIFORNIA ENERGY COMMISSION
DOCKET UNIT, MS-4
*Attn: Docket No. 06-SPPE-1
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Sacramento, CA 95814-5512
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* * * *

In addition to the documents sent to the Commission Docket Unit, also send individual copies of any documents to:

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INTERESTED AGENCIES

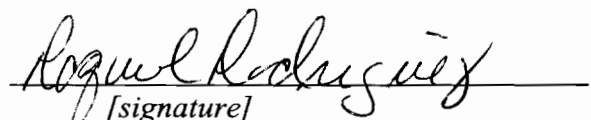
COUNSEL FOR APPLICANT

No agencies to date.

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DECLARATION OF SERVICE

I, **Raquel Rodriguez** declare that on **April 24, 2006**, I deposited copies of the attached **RE: Niland Gas Turbine Plant Small Power Plant Exemption 06-SPPE-1** in the United States mail at **Sacramento, CA** with first class postage thereon fully prepaid and addressed to those identified on the Proof of Service list above. Transmission via electronic mail was consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210. I declare under penalty of perjury that the foregoing is true and correct.


[signature]

* * * *

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